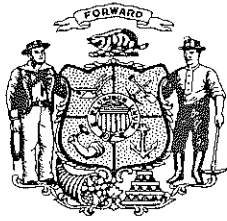


STATE OF WISCONSIN

SENATE CHAIR
MARK MILLER

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-9170



ASSEMBLY CHAIR
MARK POCAN

309 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-8570

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: October 12, 2010

Re: DHS Report to JFC

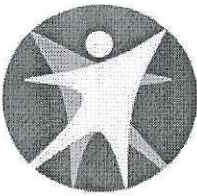
Attached is a report on utilization of nursing home beds by Medical Assistance (MA) recipients from the Department of Health Services, pursuant to 1997 Wisconsin Act 27.

Wisconsin Act 27 directs the DHS to submit an annual report to JFC on the previous fiscal year's utilization of nursing home beds by MA recipients. It also requires a discussion and projections of current fiscal year MA expenditures and likely balances.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm



State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

October 15, 2010

RECEIVED
OCT 12 2010

BY: *J. Finance*

The Honorable Mark Miller, Senate Chair
Joint Committee on Finance
317 East State Capitol
Madison, WI 53702

The Honorable Mark Pocan, Assembly Chair
Joint Committee on Finance
309 East State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

1997 Wisconsin Act 27 directs the Department of Health Services to submit an annual report to the Joint Committee on Finance on the previous fiscal year's utilization of nursing home beds by Medical Assistance (MA) recipients. It also requires a discussion and projection of current fiscal year MA expenditures and likely balances. Section 49.45 (6v)(c) of the statutes requires that if the report shows a decrease in bed utilization by MA recipients at a rate greater than assumed in the budget, then the Department must propose a transfer of funds associated with that decrease from the MA budget to the Community Options Program (COP). However, statutes prohibit the Department from proposing a transfer that would create a deficit in the current year or biennial appropriation.

The number of nursing home patient days budgeted for FY10 in 2009 Act 28, the 09-11 Budget Bill, was 6,210,052. In FY10, MA recipients utilized 6,327,019 nursing home patient days, 116,968 days more than budgeted (Table 1). An analysis of patient days by level of care and the average daily cost for each care level indicates that actual expenses exceeded projections by approximately \$13,944,911 AF (\$4,120,721 GPR). Because of the higher than budgeted utilization of MA nursing home services, there is no surplus of nursing home funds to transfer to the Community Options Program appropriation.

Since there is no surplus in the nursing home budget to transfer, it is not necessary to examine the overall state of the Medicaid budget in the 2009-11 biennium.

Thank you for your attention to this report.

Sincerely,

Karen E. Timberlake
Secretary

Attachment

Table 1: Budgeted and Actual Nursing Home Patient Days Excluding ICFs-MR and State Facilities, SFY 10

	Nursing Facility Days ****	Bed Hold and Therapeutic Leave	Traumatic Brain Injury	Total w/o State Facilities
1. SFY 10 Budgeted Patient Days*	6,170,335	29,615	10,102	6,210,052
2. SFY 10 Actual Patient Days**	6,291,365	25,107	10,547	6,327,019
3. SFY 10 Actual Minus Budgeted Patient Days	121,031	(4,508)	445	116,968
4. SFY 10 Actual Average Cost per Patient Day ***	\$ 118.63	\$ 60.03	\$ 609.67	\$ 119.22
5. Payments over / (under) budget	\$ 14,358,396	\$ (270,608)	\$ 271,305	\$ 13,944,911

GPR

\$ 4,120,721

* From 2009 Act 28 Biennial Budget MA Base Re-estimate

** From MEDS

*** From MEDS

**** Excludes services to people with developmental disabilities

SFY 10 FMAP

0.2955